REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

REVENUE REGULATIONS NO. 3-2010

SUJBECT: **Submission of the Statement of Management Responsibility**

TO: **All Internal Revenue Officers and Others Concerned**

SECTION 1. Scope- Pursuant to Section 244, in relation to Section 6(H), and Section 275 of the National Internal Revenue Code of 1997, these Regulations are hereby issued to provide the rationale and guidelines for the submission of the Statement of Management Responsibility that shall accompany the financial statements that shall be submitted with the annual income tax return.

SECTION 2. CONTENTS AND FORMAT OF STATEMENT OF MANAGEMENT RESPONSIBILITY. –

(a) Since the Annual Income Tax Return is primarily the responsibility of the management of the taxpayer, this shall be accompanied by a statement of management's responsibility.

(b) All taxpayers required to file annual income tax return under the National Internal Revenue Code, as amended, shall be required to submit a statement of management's responsibility, as follows:

"STATEMENT OF MANAGEMENT'S RESPONSIBIILITY
FOR ANNUAL INCOME TAX RETURN

The Management of (name of taxpayer) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended (date). Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to

the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended (date) and the accompanying Annual Income Tax Return are in accordance with the books and records of (name of taxpayer), complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
(c) the (name of taxpayer) has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: _____
(Name of the Individual Taxpayer/President/Managing Partner)

Signature: _____
(Name of the Chief Executive Officer or its equivalent)

Signature: _____
(Name of the Chief Financial Officer or its equivalent) "

(c) Aside from Individual Taxpayer, President and Managing Partner, the Chief Executive Officer and the Chief Financial Officer or any officer performing

similar functions regardless of their designation are also required to affix their signatures in the afore-mentioned Statement.

(d)In the case of a foreign corporation with branch office in the Philippines, the above Statement shall be signed by its local manager who is in charge of its operations.

SECTION 3. PENALTIES. – Any person who violates any provision of this Regulation shall, upon conviction for each act or omission, be punished by a fine or suffer imprisonment, or both, as prescribed in the National Internal Revenue Code.

SECTION 4. APPLICABILITY OF THESE REGULATIONS. – These Regulations shall apply to all Income Tax and Information Returns to be filed hereafter.

SECTION 5. REPEALING CLAUSE. – All existing rules, regulations and other issuances or portions thereof inconsistent with the provisions of these Regulations are hereby modified, repealed or revoked accordingly.

SECTION 6. EFFECTIVITY CLAUSE. – These regulations shall take effect after fifteen (15) days following complete publication in a newspaper of general circulation in the Philippines.

(Original Signed)
MARGARITO B. TEVES
Secretary of Finance

Recommending Approval:

(Original Signed)
JOEL L. TAN-TORRES
Commissioner of Internal Revenue

A/eks